

Consolidated Cash Flow Statement

For the year ended 31 December 2003 (Expressed in Hong Kong dollars)

	2003	2002
Note	\$'000	\$'000
Operating activities		
Profit from ordinary activities before taxation	182,676	136,050
Adjustments for:		
– Depreciation	81,686	80,552
– Amortisation of intangible assets	2,173	–
– Amortisation of goodwill	1,682	1,682
– Finance costs	2,913	3,134
– Dividend income	(377)	(546)
– Interest income	(18,822)	(19,741)
– Realised (gains)/losses on disposal/ liquidation of non-trading securities	(4,884)	8,255
– Profit on disposals of fixed assets	(43)	(2,106)
– Share of loss of associate	11,706	1,654
Effect of foreign exchange rates	2,400	367
	261,110	209,301
Operating profit before changes in working capital	261,110	209,301
(Increase)/decrease in amount due from associate	(742)	1,369
Increase in trading securities	(14,078)	(3,542)
(Increase)/decrease in inventories	(39,165)	15,161
Increase in trade and other receivables	(6,616)	(31,791)
Decrease in bills payable	(63)	(2,106)
Increase in trade and other payables	67,751	21,179
	268,197	209,571
Cash generated from operations	268,197	209,571
Tax paid		
– Hong Kong profits tax paid	(34,327)	(18,981)
– Overseas tax paid	(5,619)	(3,107)
	228,251	187,483
Net cash from operating activities	228,251	187,483
Investing activities		
Proceeds from disposal of fixed assets	986	626
Payment for purchase of fixed assets	(98,847)	(99,145)
Payment for purchase of patent rights	(30,845)	–
Proceeds from disposal of non-trading securities	133,424	174,213
Purchase of non-trading securities	(77,497)	(159,027)
Dividends received	377	546
Interest received	19,877	19,816
	(52,525)	(62,971)
Net cash used in investing activities	(52,525)	(62,971)

Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2003 (Expressed in Hong Kong dollars)

	Note	2003 \$'000	2002 \$'000
Financing activities			
New bank loans		22,845	49,601
Repayment of bank loans		(7,331)	(46,434)
Interest paid		(2,913)	(3,134)
Proceeds on issue of shares		2,746	717
Dividends paid		(117,081)	(27,229)
Dividend paid to minority shareholders		(2,125)	(942)
Net cash used in financing activities		(103,859)	(27,421)
Net increase in cash and cash equivalents		71,867	97,091
Cash and cash equivalents at 1 January		460,875	360,671
Effect of foreign exchange rates changes		2,142	3,113
Cash and cash equivalents at 31 December	21	534,884	460,875

Note to the Consolidated Cash Flow Statement

(a) Major non cash transactions

During the year shares were issued as a result of scrip dividends.

The notes on pages 27 to 57 form part of these financial statements.